

Message Text

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PAGE 01 MTN GE 03354 031412Z

44

ACTION EB-07

INFO OCT-01 EA-07 IO-13 ISO-00 STR-04 AGR-05 CEA-01

CIAE-00 COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05

L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15

ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00 OMB-01

AF-08 ARA-06 EUR-12 NEA-10 /136 W

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TO SECSTATE WASHDC 1460

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TAGS: ETRD, MTN

SUBJECT: KOREAN POSITION IN THE MTN

REF: STATE 092531

1. SUMMARY: KOREAN DELEGATION HAS NOT TAKEN ACTIVE
ROLE IN MTN TO DATE BUT REGULARLY ATTENDS GROUP MEETINGS.
KOREAN SPOKESMAN, WITH THE EXCEPTION OF SEVERAL
TECHNICAL INTERVENTIONS IN NTM SUBGROUPS GENERALLY
ASSOCIATE THEIR POSITION WITH PREVIOUS LDC SPEAKERS
WITHOUT IDENTIFYING NUANCES. ASSISTANT MINISTER OF
COMMERCE KIM IN A BILATERAL CONTACT LAST YEAR
INDICATED THAT KOREA'S PRIORITIES IN THE MTN WERE THE
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PAGE 02 MTN GE 03354 031412Z

FOLLOWING: SAFEGUARDS, QRS, SPECIAL AND DIFFERENTIATED

TREATMENT WITH RESPECT TO SUBSIDIES, AND CUSTOMS VALUATION. KOREA HAS NOT PARTICIPATED IN THE TROPICAL PRODUCTS GROUP, BUT STANDS TO BENEFIT SUBSTANTIALLY FROM THE CONCESSIONS OFFERED BY THE US ON PHILIPPINE MAHOGONY PLYWOOD (TSUS 240.17). KOREA HAS EXPRESSED INTEREST IN THE SECTOR APPROACH ONLY AS A COMPLIMENTARY TECHNIQUE. KOREAN POSITION AS THEY HAVE BEEN ARTICULATED ARE DETAILED BELOW. END SUMMARY

2. TARIFFS AND SECTORS - KORES HAS NOT ACTIVELY PARTICIPATED IN THE TARIFF GROUP, STRESSING ONLY THE IMPORTANCE OF GSP TO LDCS. WITH RESPECT TO SECTORS KOREA HAS SUPPORTED DATA COLLECTION FOR FOUR SECTORS (IRON AND STEEL, TIMBER AND WOOD, FOOTWEAR, AND LEATHER) OF PARTICULAR INTEREST TO IT AND OTHER LDCS, BUT CONSIDERS SECTORS AS A COMPLEMENTARY TECHNIQUE TO BEGIN A LATER STAGE, SUBSEQUENT TO PROGRESS IN THE GENERAL NEGOTIATIONS.

3. TROPICAL PRODUCTS - KOREA HAS NOT SUBMITTED A TROPICAL PRODUCTS REQUEST LIST DESPITE THE FACT THAT THEY HAVE BEEN INFORMED THEY STOOD TO BENEFIT FROM THE NEGOTIATION OF HARDWOOD PLYWOOD AND VENEERS IN THIS GROUP. MTN DEL HAS REQUESTED INSTRUCTIONS TO APPROACH KOREA GIVEN THAT IT IS THE PRINCIPLE SUPPLIER OF PHILIPPINE MAHOGANY PLYWOOD IN US MARKET WITH \$107 MILLION IN EXPORTS TO THE US IN 1974. MTN DEL PRESUMES THAT CONCESSIONS BY THE US ON THIS ITEM DEPENDENT ON AN APPROPRIATE KOREAN CONTRIBUTION TO TROPICAL PRODUCTS NEGOTIATIONS AND THEREFORE SUGGESTS SECRETARY RICHARDSON MIGHT DRAW THIS MATTER TO THE ATTENTION OF ROK OFFICIALS. POSSIBLE RECIPROCITY MIGHT INCLUDE ROLLBACKS BY KOREA OF ITS TARIFFS ON BEEF TALLOW AND COPPER SCRAP WHICH WERE INCREASED IN APRIL 1975. TOTAL US EXPORTS TO KOREA IN 74 TOTALLED \$72 MILLION (REF. SEOUL 2369, APRIL 75).

4. NTM'S: IN THE AREA OF SUBSIDIES AND COUNTER-LIMITED OFFICIAL USE

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PAGE 03 MTN GE 03354 031412Z

VAILING DUTIES, AT THE JUNE, 1975, MEETING KOREA EMPHASIZED THE NEED OF DEVELOPING COUNTRIES TO SUBSIDIZE THEIR EXPORTS IN OPENING NEW MARKETS FOR THEIR EXPORTS. KOREA SUPPORTED THE BRAZILIAN PROPOSAL FOR A POSITIVE LIST OF SUBSIDIES WHICH LDCS CAN USE WITHOUT BEING SUBJECT TO COUNTERVAILING DUTIES AS A USEFUL BEGINNING FOR DEVELOPMENT OF SPECIAL AND DIFFERENTIATED TREATMENT FOR LDCS IN THIS AREA.

WHEN COUNTERVAILING DUTIES WOULD BE APPLIED TO LDC EXPORTS, KOREA HAS TAKEN THE POSITION THAT PRIOR BILATERAL CONSULTATIONS SHOULD BE HELD, THAT DEMONSTRATION OF MATERIAL INJURY TO THE ENTIRE INDUSTRY MUST BE SHOWN, AND THAT DEBT SCHEDULING AND BALANCE OF PAYMENTS SITUATION OF AN LDC SHOULD BE TAKEN INTO CONSIDERATION. IN AREA OF CUSTOMS VALUATION, KOREA, AS SIGNATORY TO BDV CONVENTION, HAS MADE A BRIEF SUBMISSION THAT A NEW SET OF INTERNATIONAL RULES ON CUSTOMS VALUATION WOULD HAVE ELEMENTS SIMILAR TO THE CURRENT BDV SYSTEM. KOREA HAS ALSO SUPPORTED THE ABOLITION OF CONSULAR AND CUSTOMS INVOICES AND HAS URGED THAT ONLY COMMERCIAL INVOICES BE USED BY CUSTOMS OFFICIALS IN PROCESSING IMPORTS. IN THE AREA OF STANDARDS, KOREA HAS SUPPORTED PROVISIONS OF DRAFT STANDARDS CODE WHICH WOULD PROVIDE FOR TECHNICAL ASSISTANCE TO LDCS AND HAS AGREED, IN PRINCIPLE, WITH A COMPREHENSIVE DISPUTE SETTLEMENT MECHANISM PROPOSED BY THE CANADIANS. IN AREA OF QUANTITATIVE RESTRICTIONS, THE US HAD HELD BILATERAL CONSULTATIONS WITH THE KOREANS (75 MTN GENEVA 8507) DURING WHICH US RESTRICTIONS ON CERTAIN FOOTWEAR ITEMS AND ON KNIVES AND FORKS OF STAINLESS STEEL HANDLES WERE DISCUSSED. THE KOREAN DELEGATION TOOK POSITION THAT THESE QR'S ARE UNFAIR AND SHOULD BE ELIMINATED. FURTHER ACTIVITY IN QR AREA IS AWAITING COMPLETION OF OTHER BILATERAL CONSULTATIONS WITH OTHER PARTICIPANTS IN QR SUBGROUP. WALKER

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